

**Pääomasijoittajat**

Finnish Venture Capital Association

# Venture capital in Finland

## H1/2024

Statistics on fundraising, investments, and divestments

Published 18 November 2024

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# EDC – European Data Cooperative

The most comprehensive VC/PE database in Europe

**106 investors in  
Finland**

3 700 in Europe

**318 funds in  
Finland**

10 200 in Europe

**2 396 portfolio  
companies in Finland**

83 000 in Europe

**10 680 transactions in  
Finland**

308 000 in Europe

# Private equity

## Startup

A young and innovative company that typically strives for rapid international growth with a scalable business model.

## Growth company

A company with established operations, revenue & potential for continued growth. Revenue can range from a few million to hundreds of millions.

## Venture capital

**Venture capital investors** make **minority** investments in startups in different growth stages.

## Growth

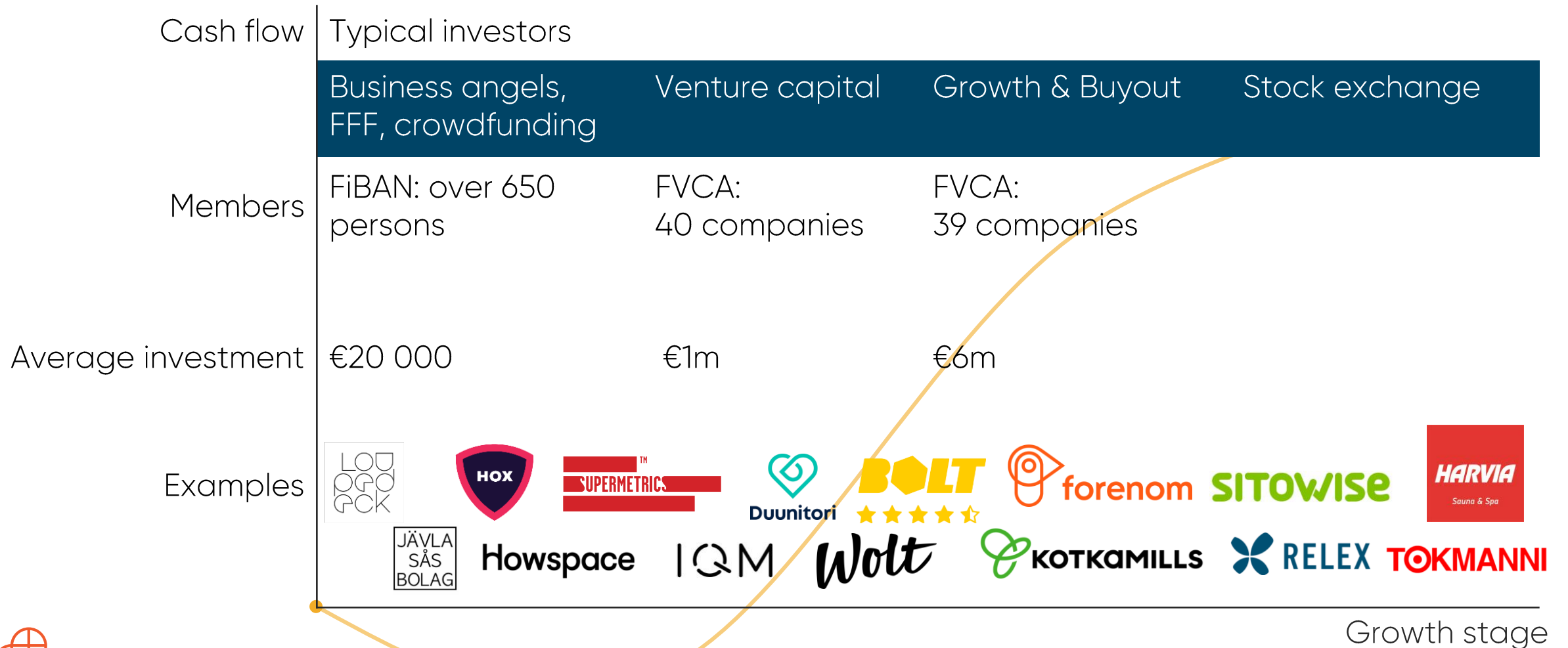
**Growth investors** make **minority** investments in both later-stage startups and established but still small growth companies.

## Buyout

**Buyout investors** make **majority** investments in established businesses, typically mid-sized growth companies.



# Private equity investors by stage



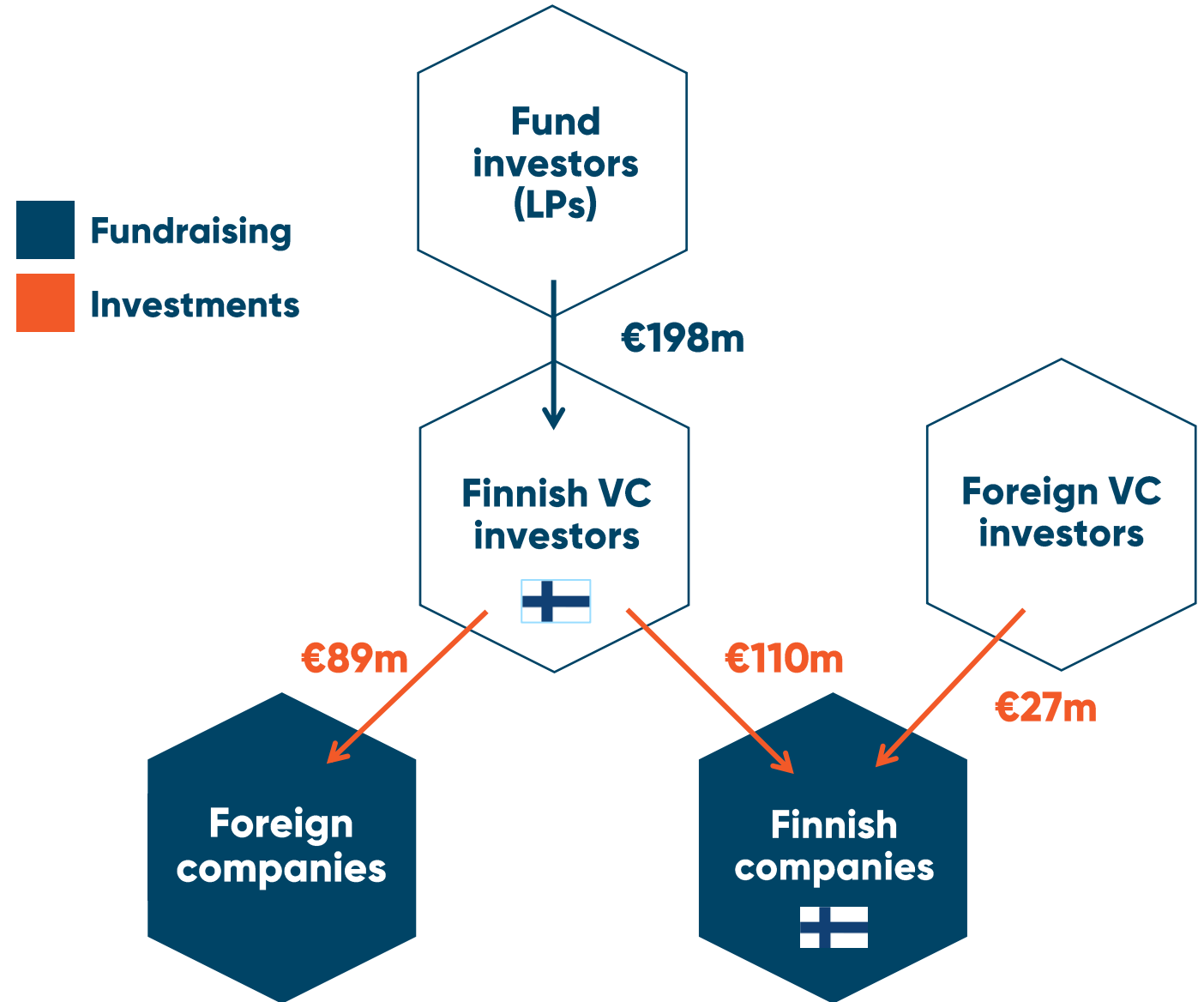
## Venture capital H1/2024

**€198m**

Fundraising of Finnish venture capital funds from LPs.

**€200m**

Investments made by Finnish VCs.



## Venture capital H1/2024

### Statistics in brief

- Finnish VC investors invested a total of **€200m** (-6% YoY), of which **€89m** in foreign startups.
- A total of **158** (+5% YoY) startups received funding from Finnish VC investors.
- Finnish VC funds raised a total of **€198m** (-32% YoY) in new funds for future investments.
- Finnish startups raised a total of **€137m** (-47% YoY) of venture capital funding, of which **€110m** came from Finnish VCs and **€27m** from foreign VCs.
- A total of **118** (+7% YoY) Finnish startups raised VC funding.



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# Startup funding in Finland

All equity investments in Finnish startups



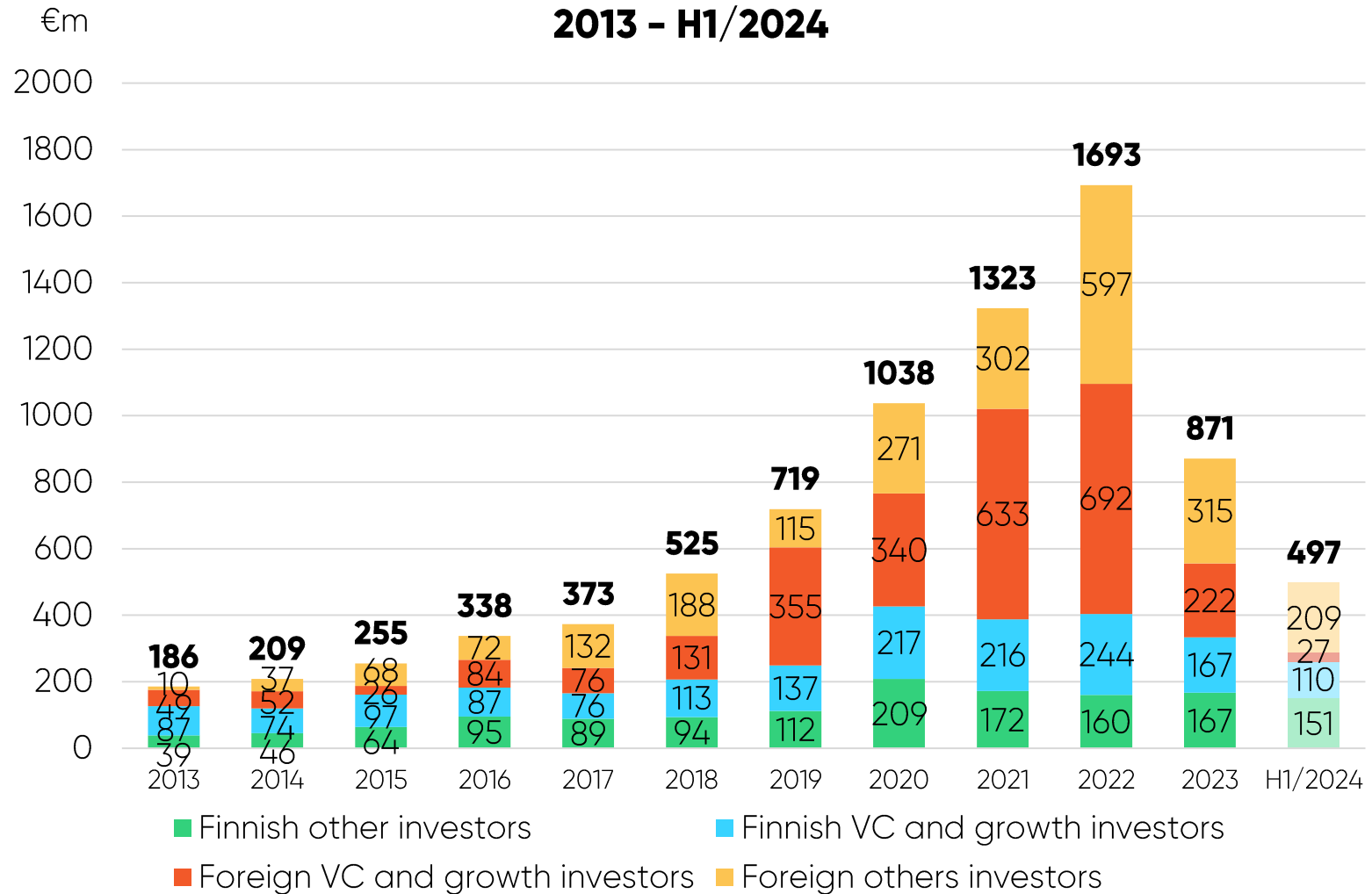
# Half a billion invested in Finnish startups in six months

**€497m**

The amount raised by Finnish startups from domestic and foreign investors in the first half of the year.

If the investment pace stays consistent through the end of the year, the total will exceed last year's level.

## Investments in Finnish startups 2013 - H1/2024















Includes equity investments only.  
'Other investors' categories include e.g. corporations, family offices, angel investors and crowdfunding

# Examples of investments in Finnish startups H1/2023



# The biggest funding rounds in Finnish startups

1.	 RELEX	€500m	2022	6.	<i>Hostaway</i>	€162m	2023
2.	 Wolt	€440m	2021	7.	IQM	€128m	2022
3.	 aiven	€200m	2022	8.	 ICEYE	€120m	2022
4.	 hmd.	€195m	2020	9.	 Wolt	€110m	2019
5.	 RELEX	€175m	2019	10.	Swappie	€108m	2022
				11.	 Wolt	€100m	2020
				12.	 SUPERCILL	€98m	2013
				13.	 MariaDB	€92m	2022
				14.	 ICEYE	€88m	2024
				15.	 hmd.	€86m	2018



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# Venture capital market statistics

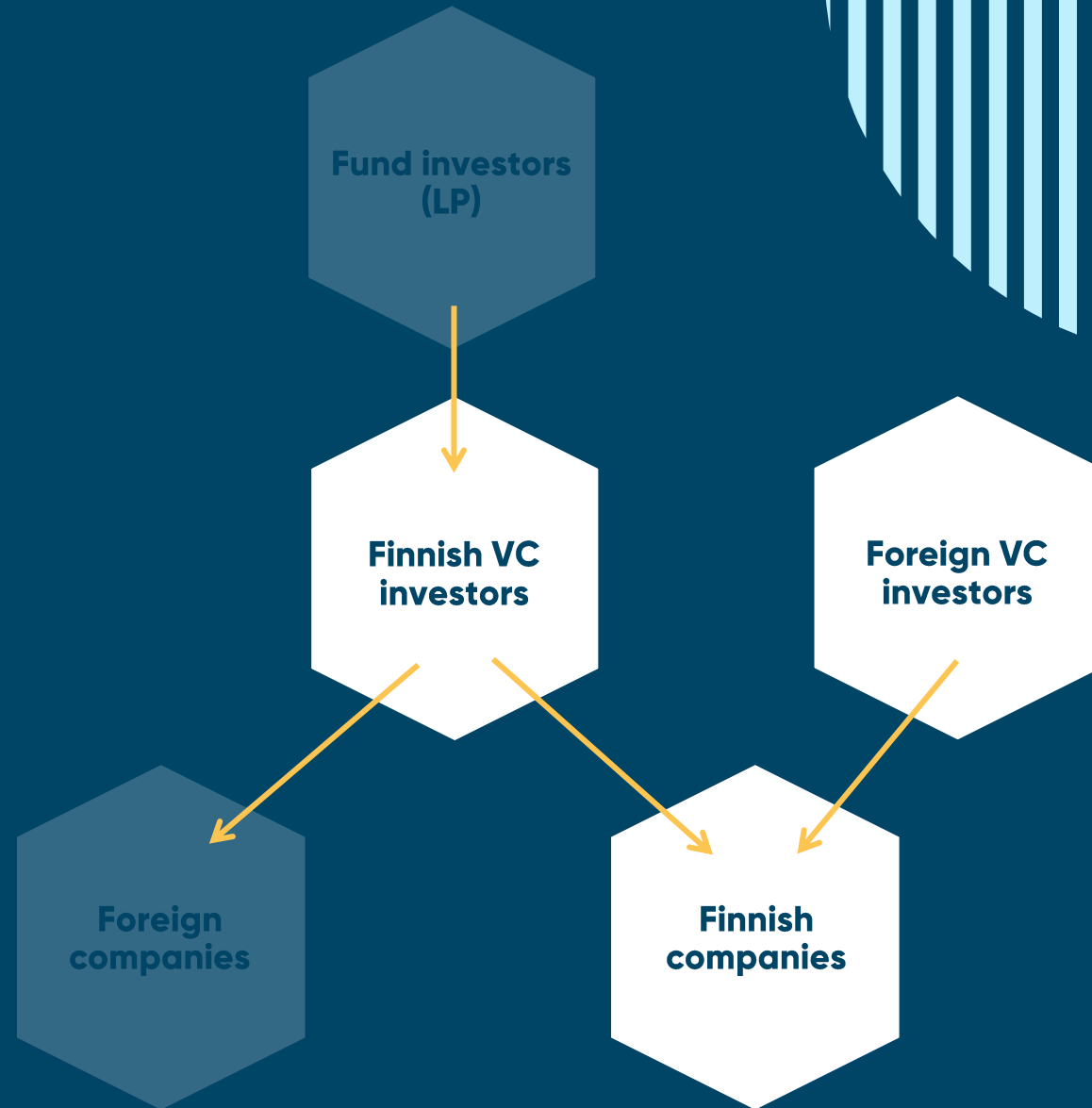
Finnish and foreign venture capital investors' activity in Finnish companies



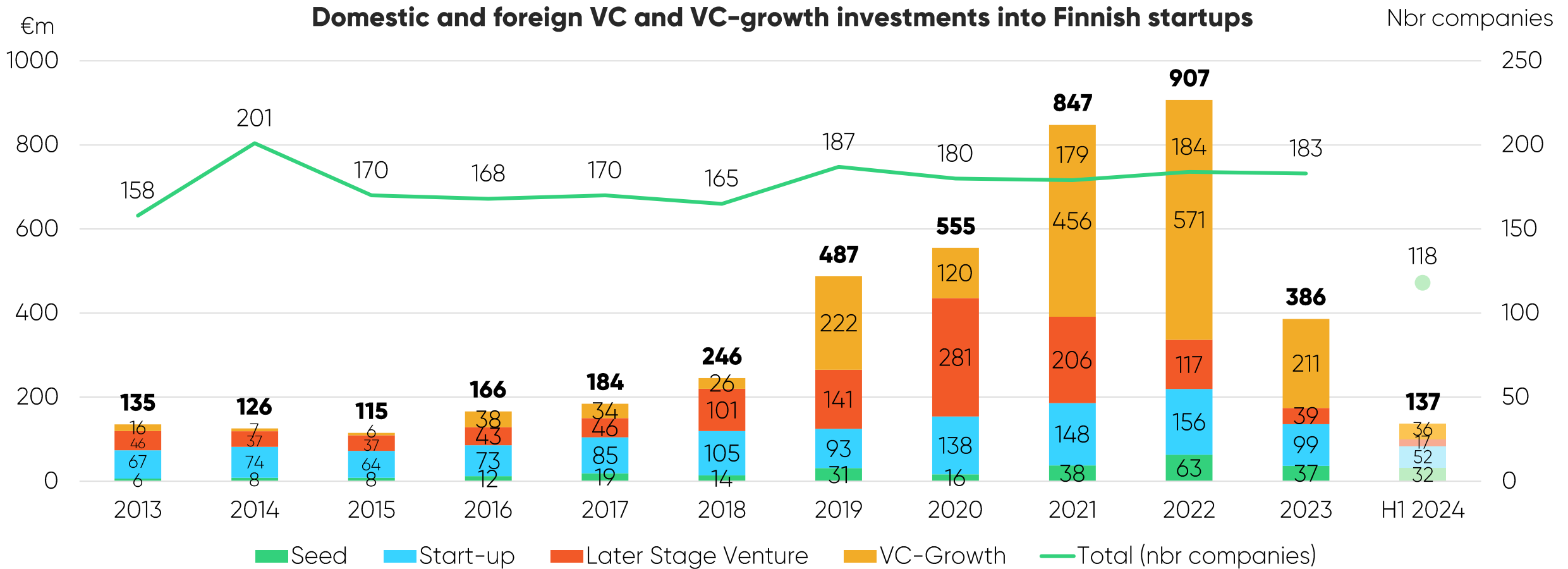
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# Investments



# Domestic and foreign VC investors invested €137 million in Finnish startups in H1 2024



## Later-stage investments in lower level compared to previous years

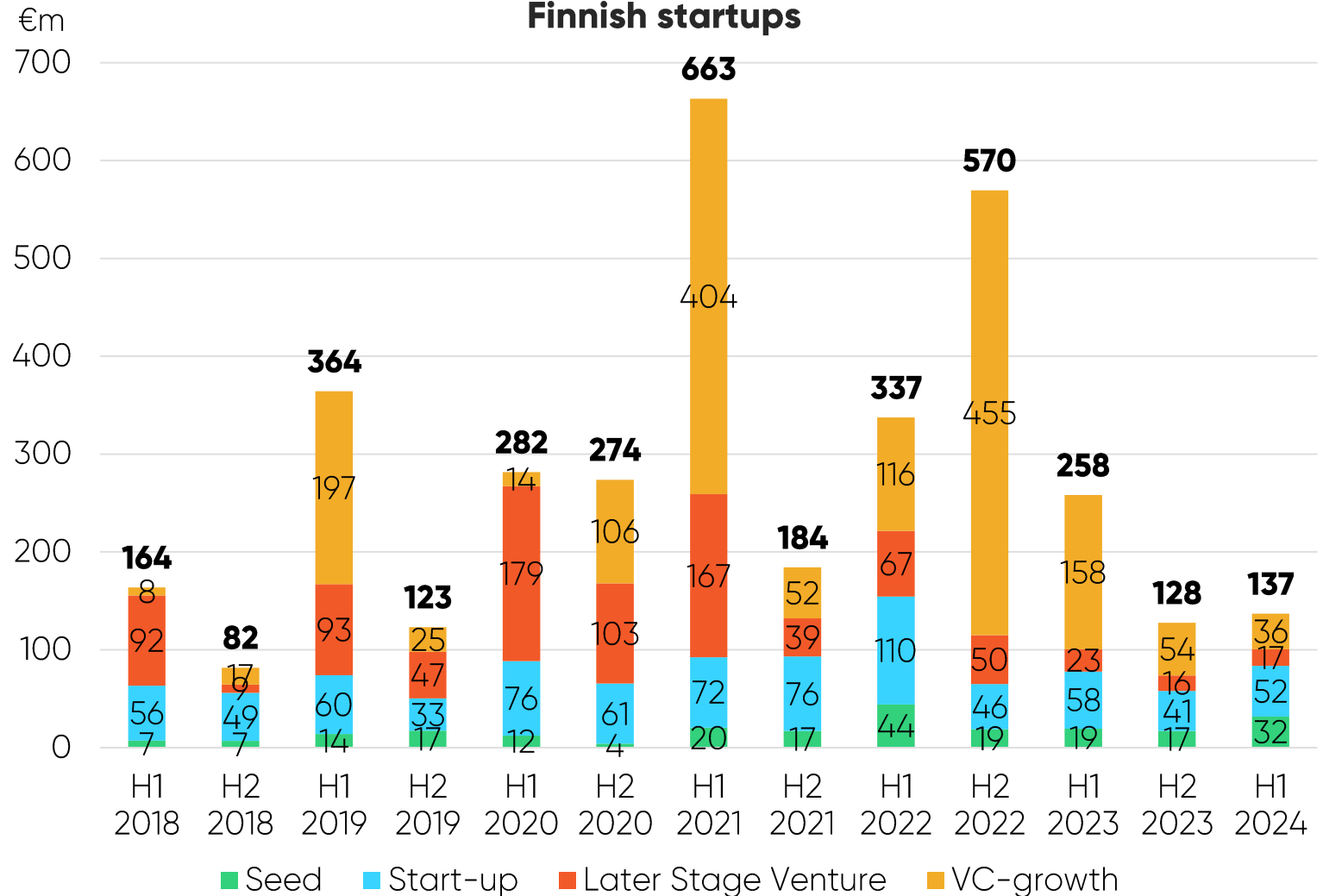
**€137m**

Finnish startups' funding from domestic and foreign venture capital investors was 56% lower than the five-year average, primarily due to the lack of large funding rounds.

**€32m**

Seed-stage investments in early-stage startups were at the second-highest level in history.

### Domestic and foreign VC and VC-growth investments in Finnish startups



# Nearly a record number of early-stage startups received investment

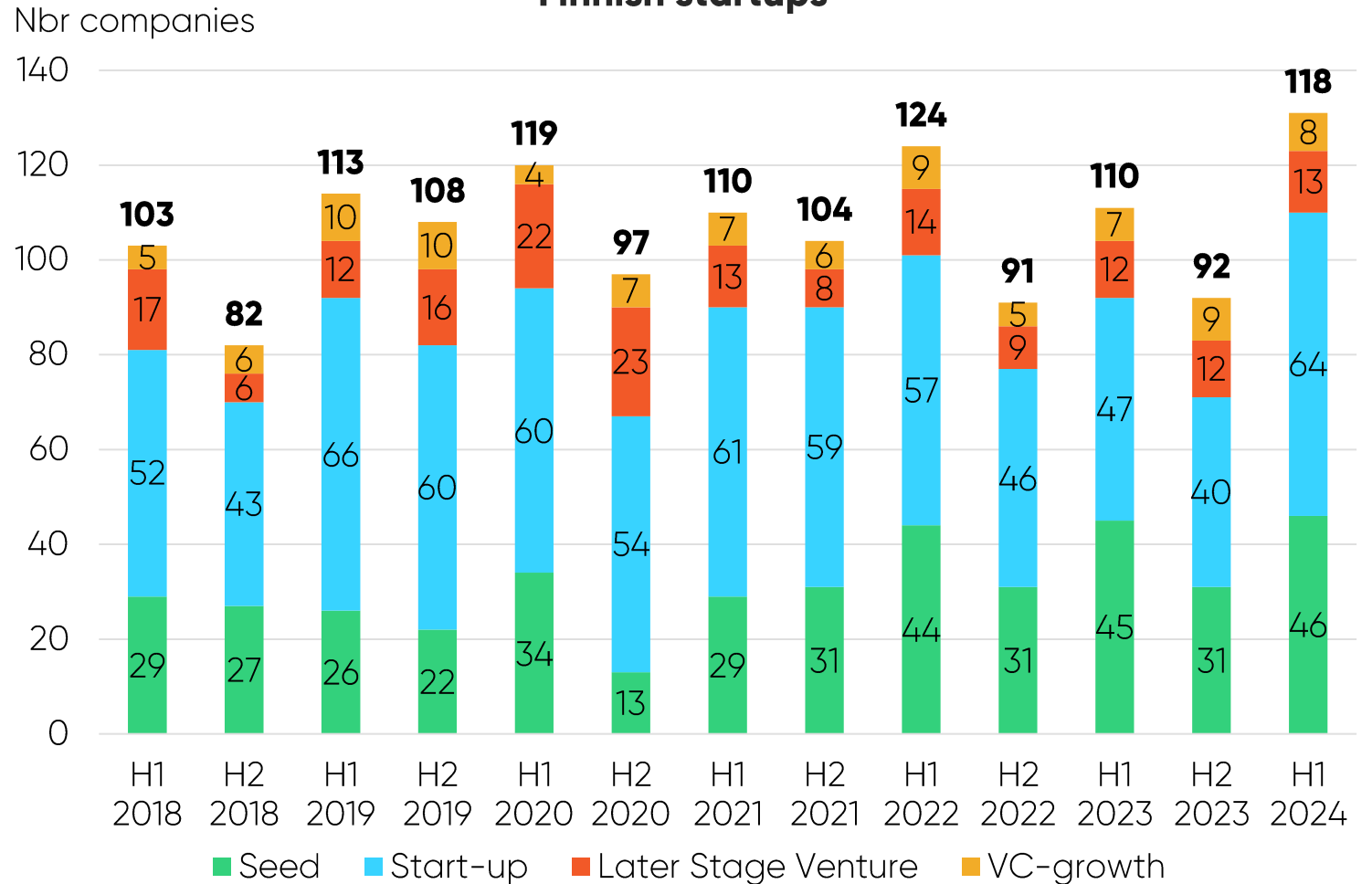
## 118 companies

The number of Finnish companies that received domestic or foreign VC or growth investments increased almost to the peak level.

The number of companies receiving seed-stage investments reached an all-time high.

Startup-stage investments were 16% higher than the average of the last five years.

### Domestic and foreign VC and VC-growth investments into Finnish startups



A company may have received more than one investment during the same year (e.g. both in the seed and startup stages). However, each company is taken into account only once in the total number of investments.

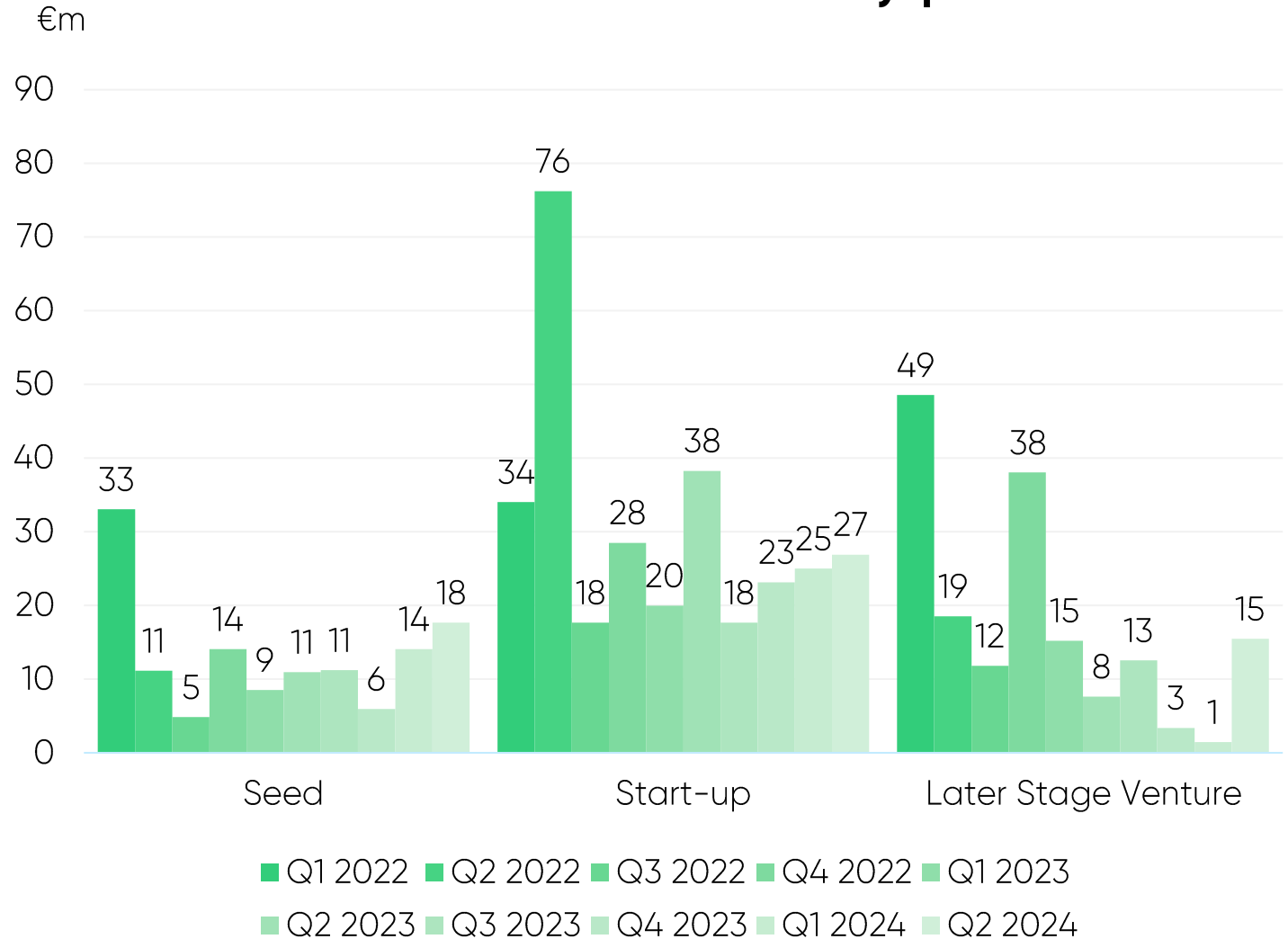


## Quarterly analysis shows a positive trend in investments

When analyzed on a quarterly basis, we see growth in both the seed and startup stages.

The total of later-stage investments also rose in the second quarter.

### VC investors' investments by quarter



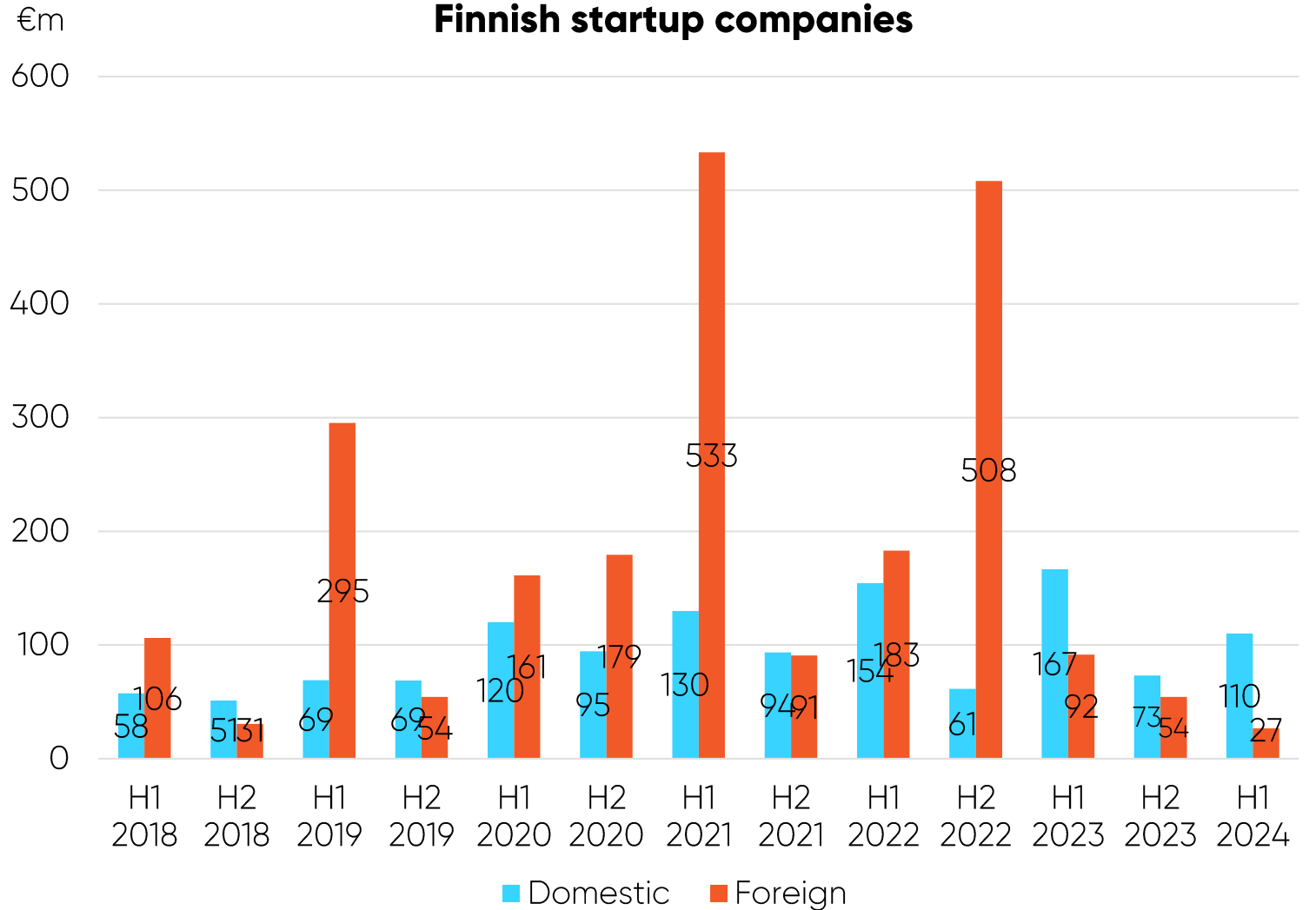
## Foreign investments in Finnish startups at historically low level

€27m

Foreign venture capital investments in Finnish startups was at a historically low level, 88% below the five-year semi-annual average.

Meanwhile, the level of investments made by domestic investors stayed at similar level with previous years.

### Domestic and foreign VC investments in Finnish startup companies



## The number of foreign VC investments declined

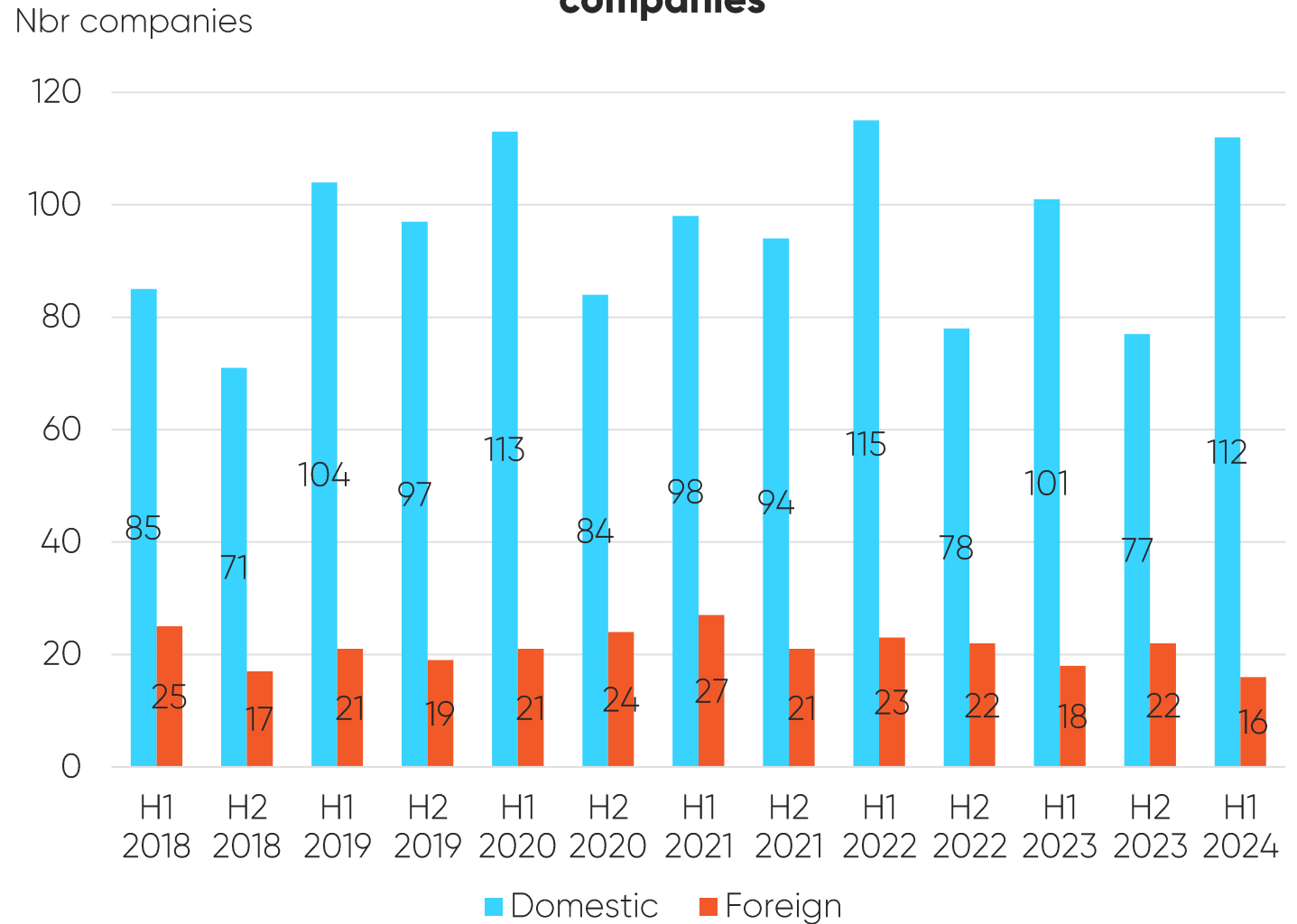
### 112 companies

Finnish startups with domestic venture capital -backing reached nearly the levels seen in peak half-year periods.

### 16 companies

The number of companies receiving foreign venture capital investments fell to the lowest level in recent years.

## Domestic and foreign VC investments in Finnish startup companies

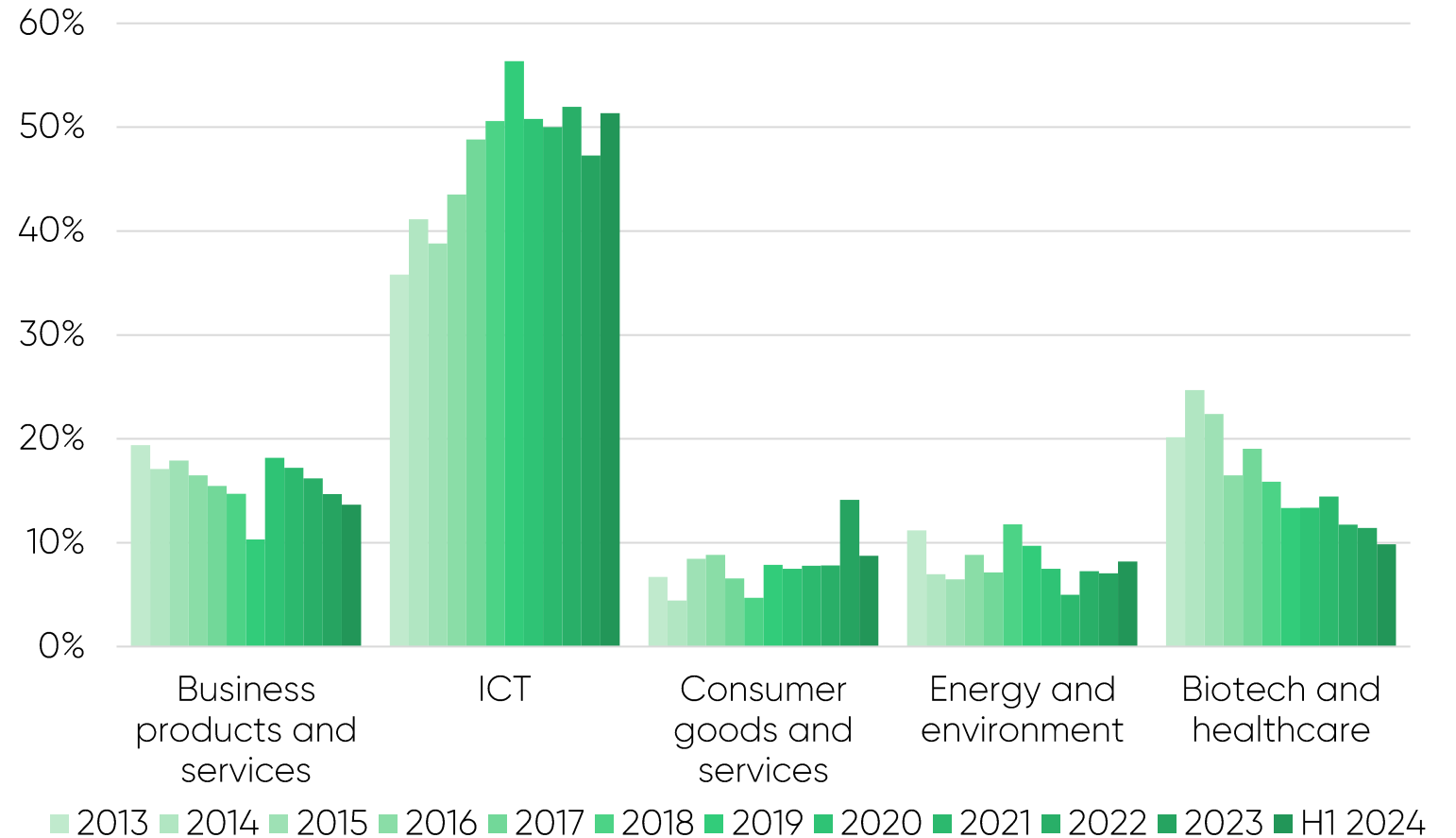


## The largest proportion of investments went to ICT companies

As in recent years, about half of the venture capital investments in startups were directed toward ICT companies.

### VC investments in Finnish companies by industry

% of number of companies





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# Divestments

## The number of exits fell to record lows

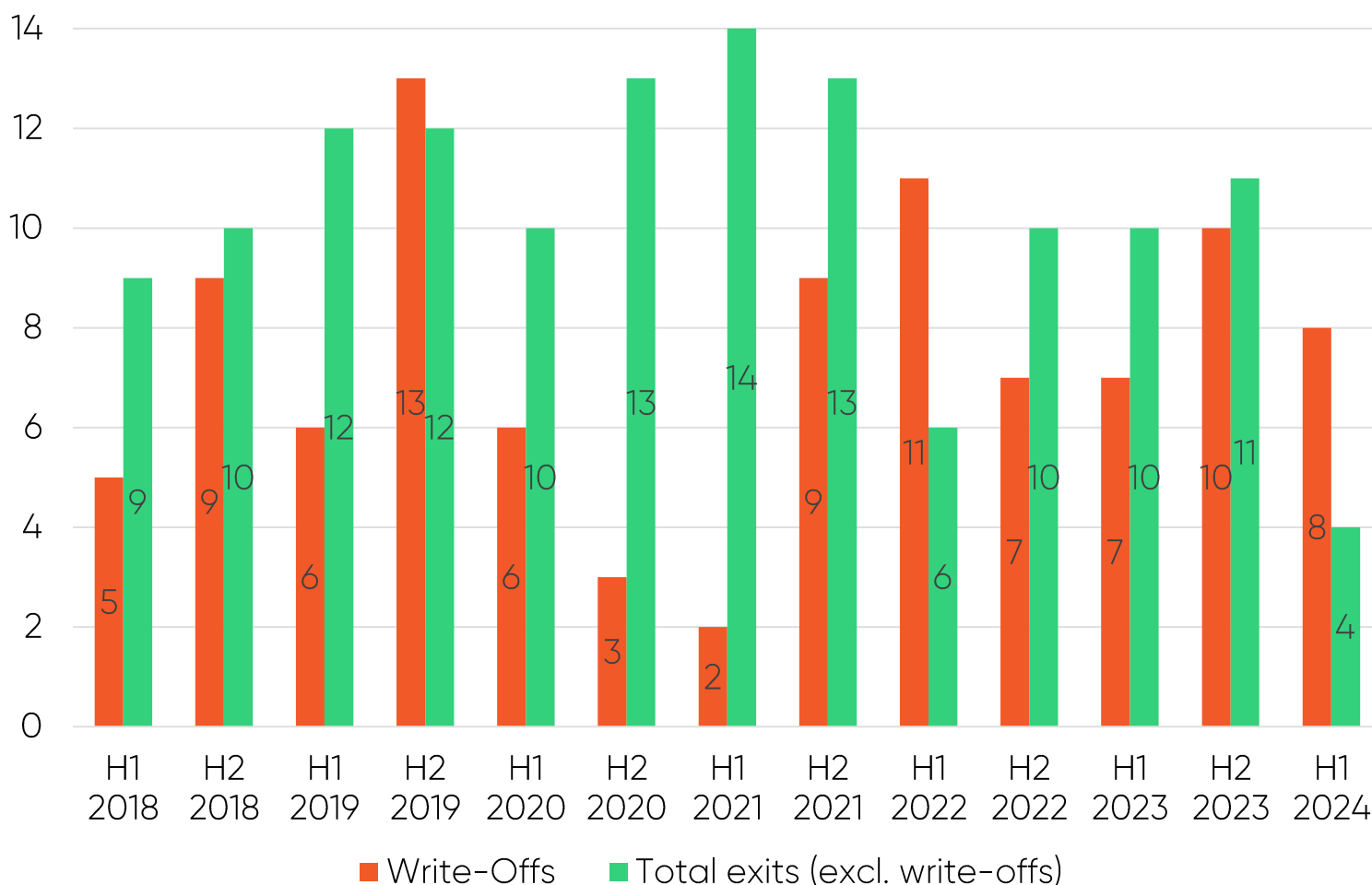
### 4 companies

Domestic and foreign venture capital investors exited a historically low number of Finnish startup companies.

The number of write-offs remained at the level of previous years.

## Divestments from Finnish companies by VC investors

Nbr companies





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# Venture capital industry statistics

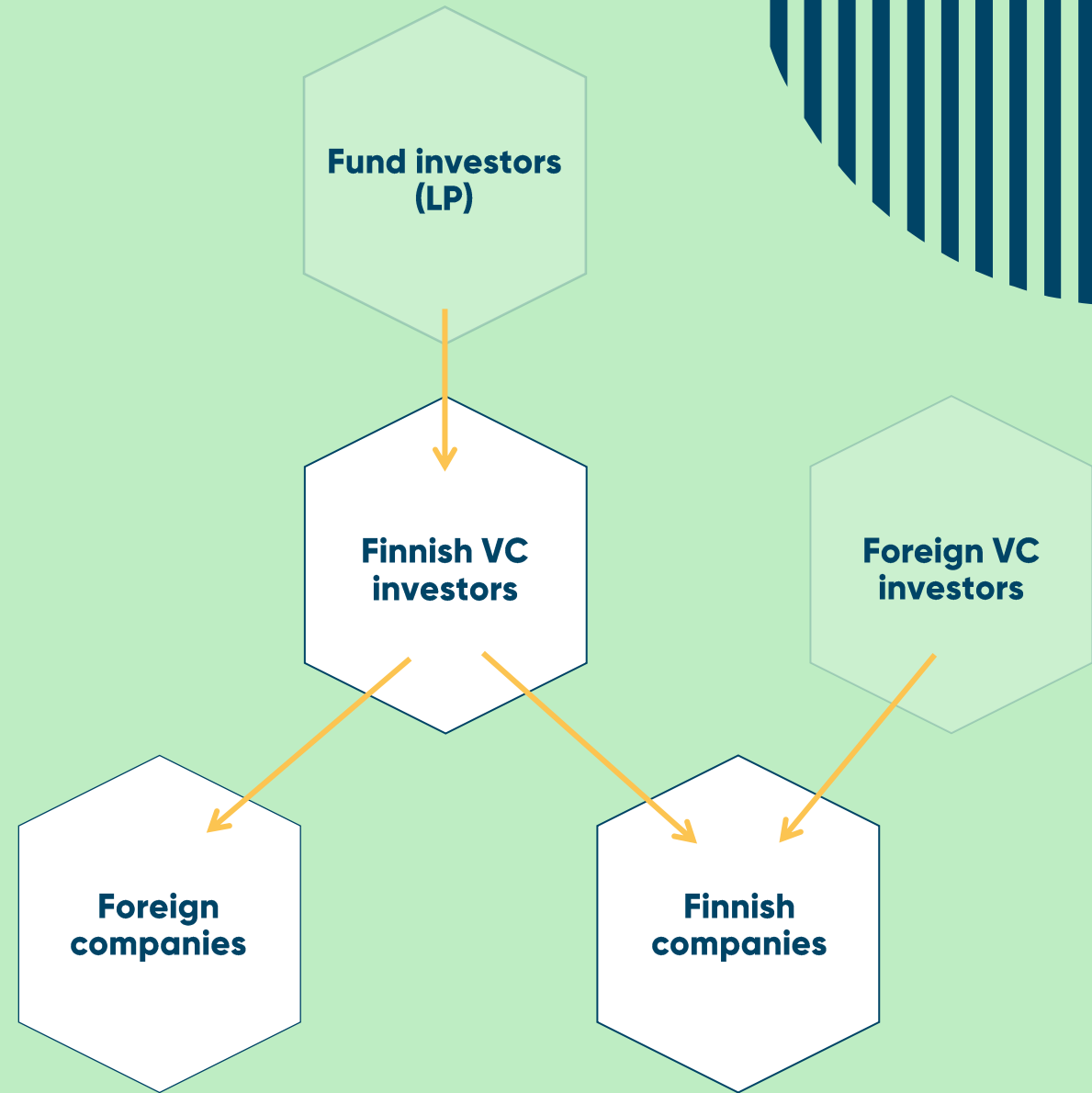
Finnish venture capital investors' activity in Finland and abroad



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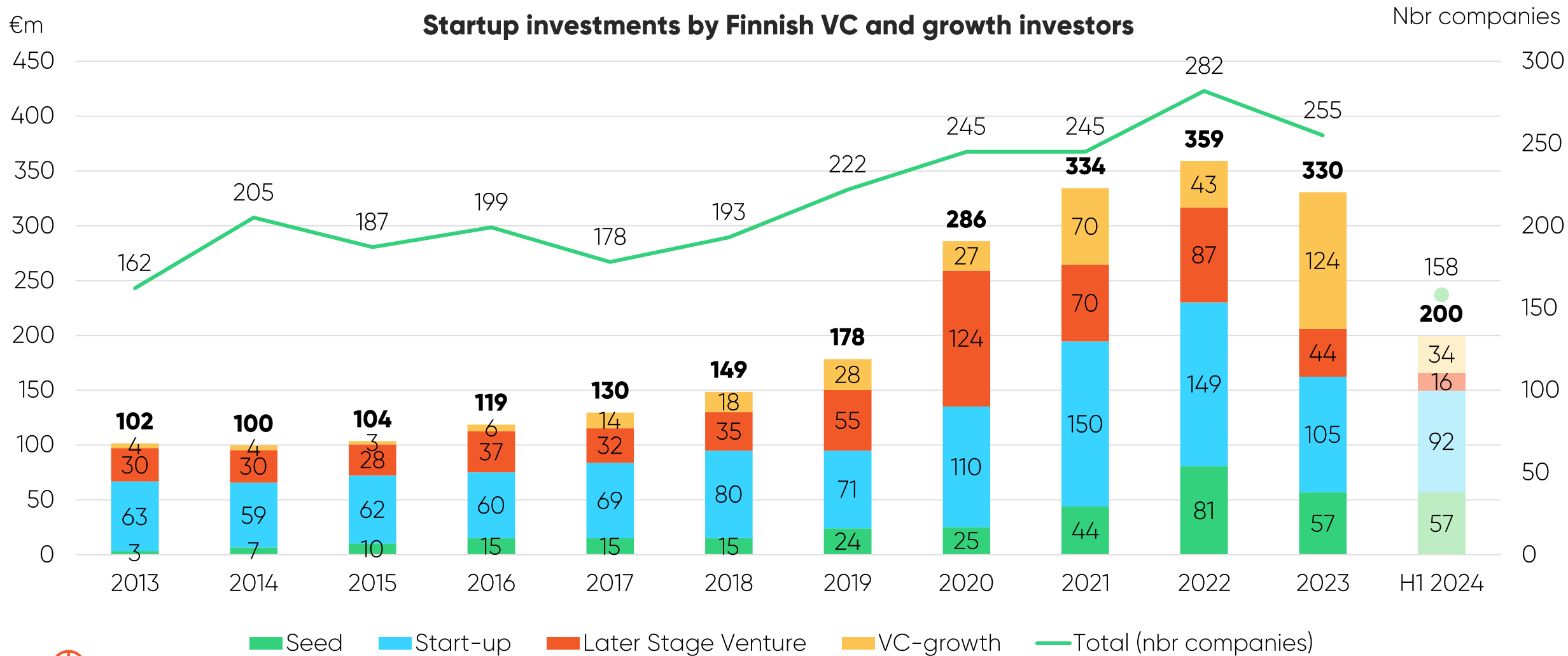
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# Investments





# Finnish venture capital investors invested €200 million in startups in H1 2024



## Amount invested by Finnish VC and growth investors at a strong level

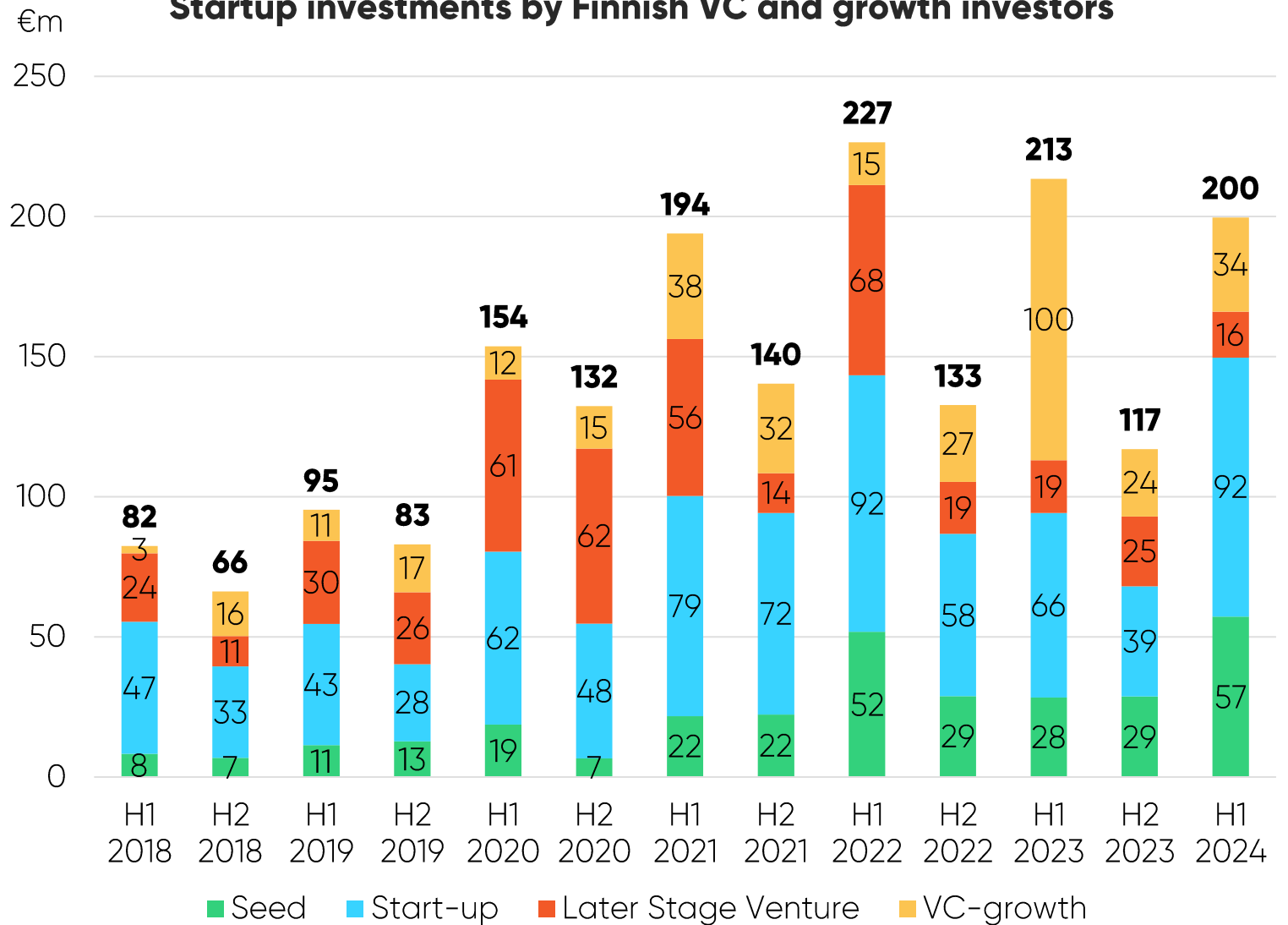
**€200m**

The amount invested by Finnish VC and growth investors in domestic and foreign startups third highest in history.

**€149m**

Investments in seed and early-stage companies reached their highest levels in history in the first half of 2024.

### Startup investments by Finnish VC and growth investors



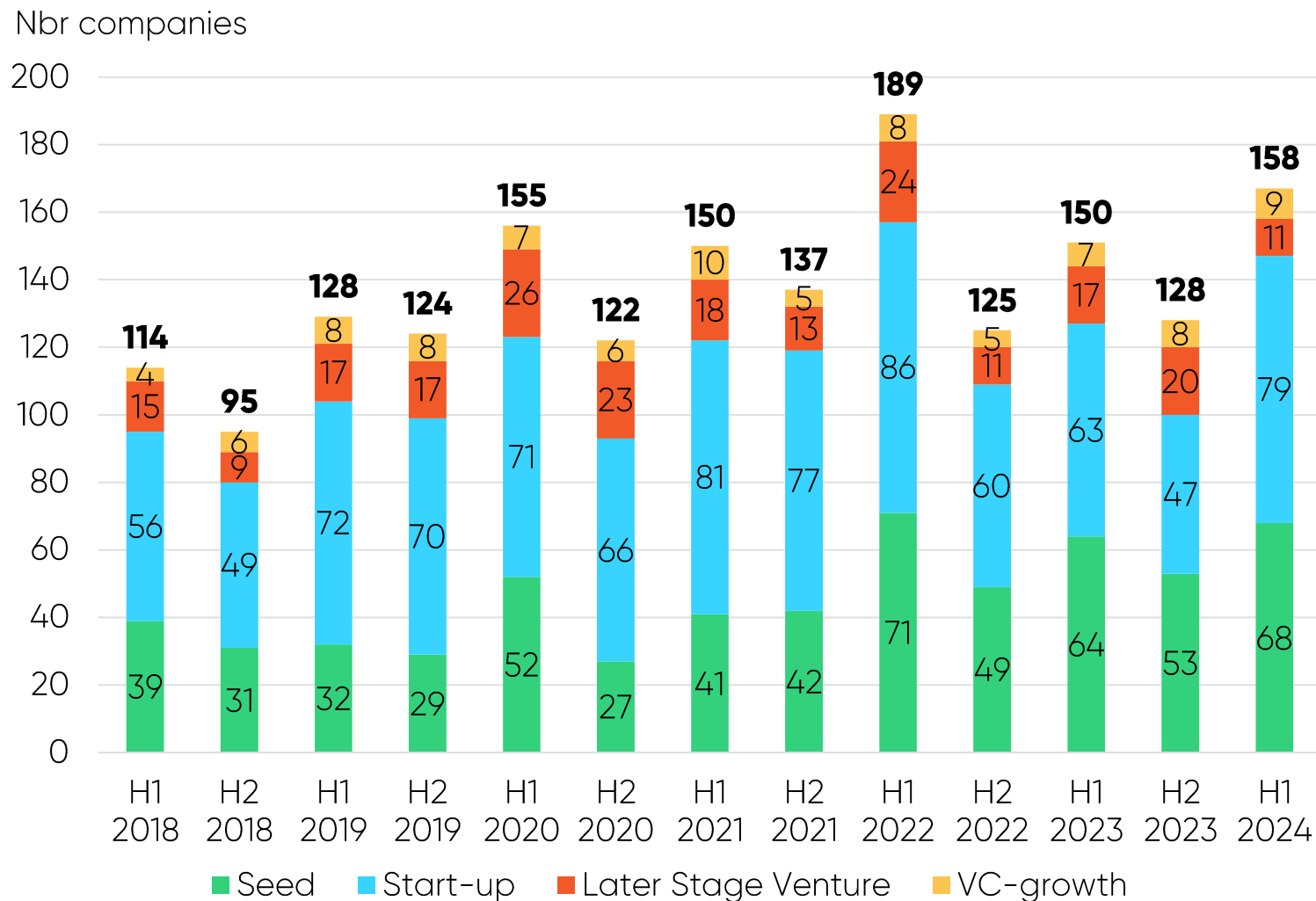
## The number of startups receiving investments increased

### 158 companies

When examining half-year periods, the number of companies receiving investments was the second highest in recent years.

While the number of startup investments has continued to decrease internationally, the number of investments made by Finnish VCs has increased.

### Startup investments by Finnish VC and growth investors



A company may have received more than one investment during the same year (e.g. both in the seed and startup stages). However, each company is taken into account only once in the total number of investments.

# Finnish venture capital investments in demand internationally

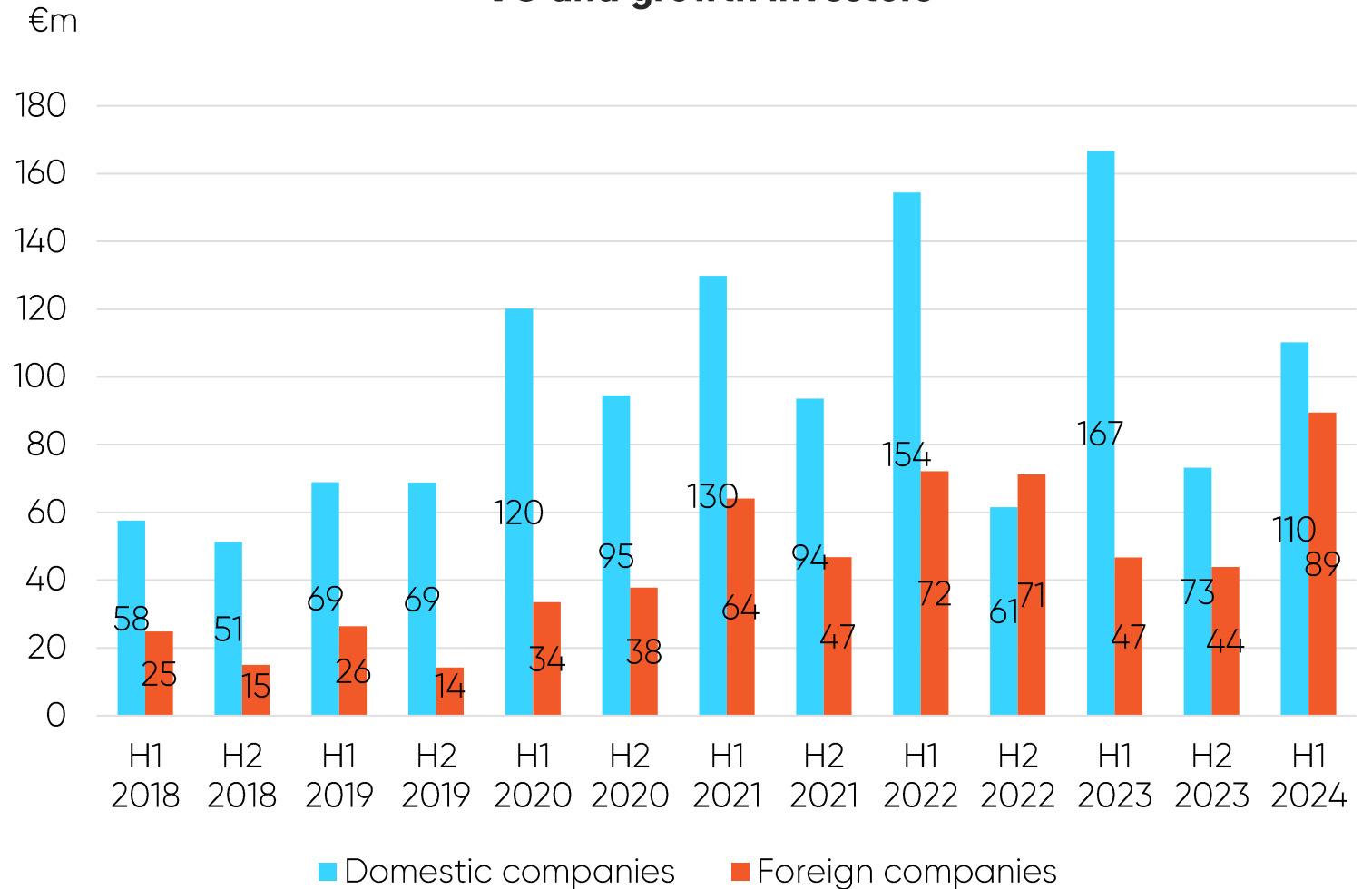
**€89m**

Finnish VCs invested a record amount in foreign startups during the first half of the year.

**44%**

The share of foreign investments was at a historically high level, whereas it has previously averaged at 27%.

## Investments in domestic and foreign startups by Finnish VC and growth investors



## Number of investments made in foreign startups decreased slightly

### 112 domestic companies

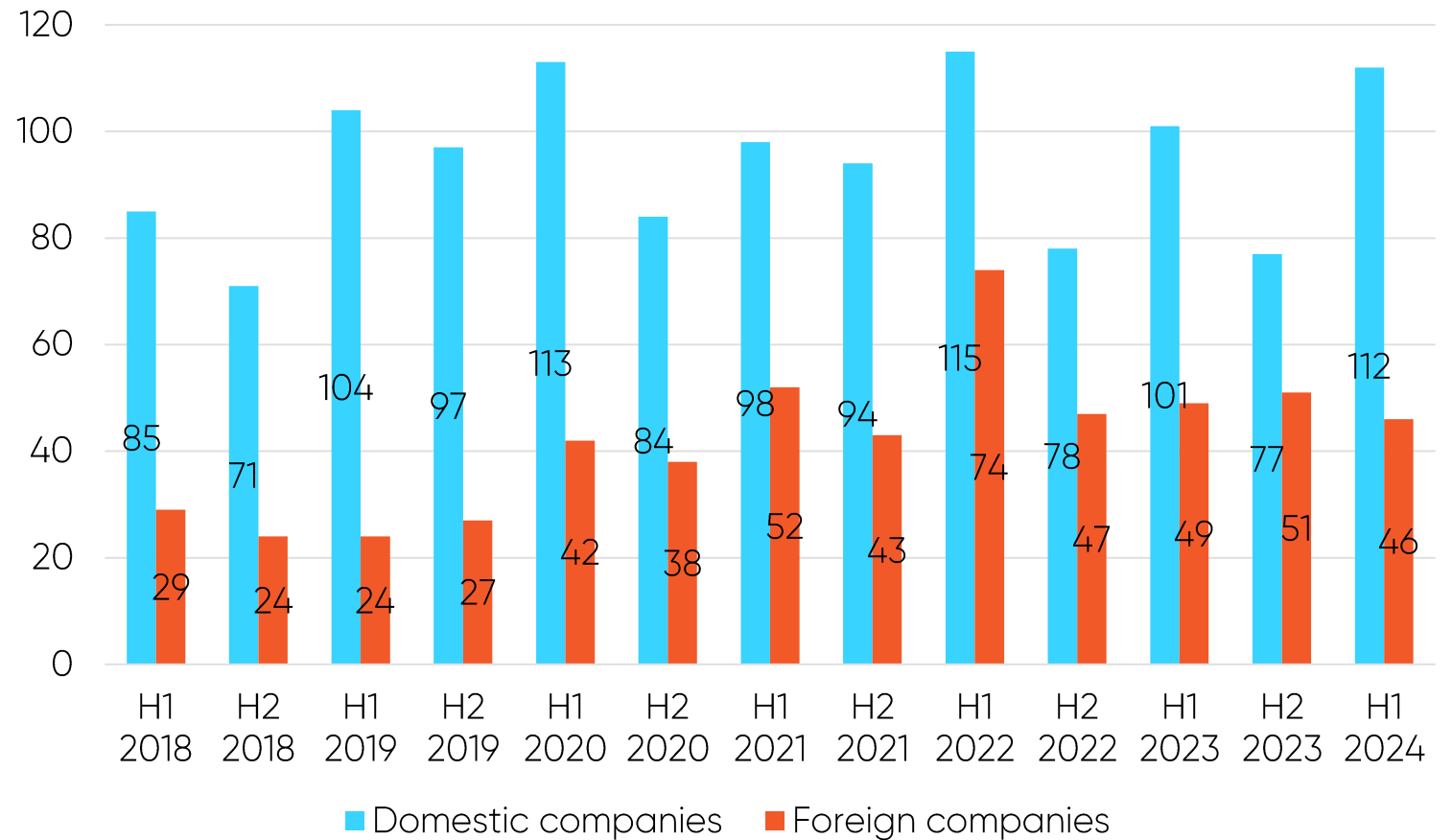
The number of domestic companies is close to an all-time high.

### 46 foreign companies

A slight decrease in the number of foreign startups receiving funding from Finnish venture capital investors.

## Investments in domestic and foreign startups by Finnish VC and growth investors

Nbr companies





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# Divestments

## Exit activity at historically low level

### 5 companies

Historically low number of exits were made in the first half of 2024.

### 11 write-offs

The number of write-offs remained relatively high, and the relative share of 69% reached an all-time high.

## Divestments from startups by Finnish venture capital investors

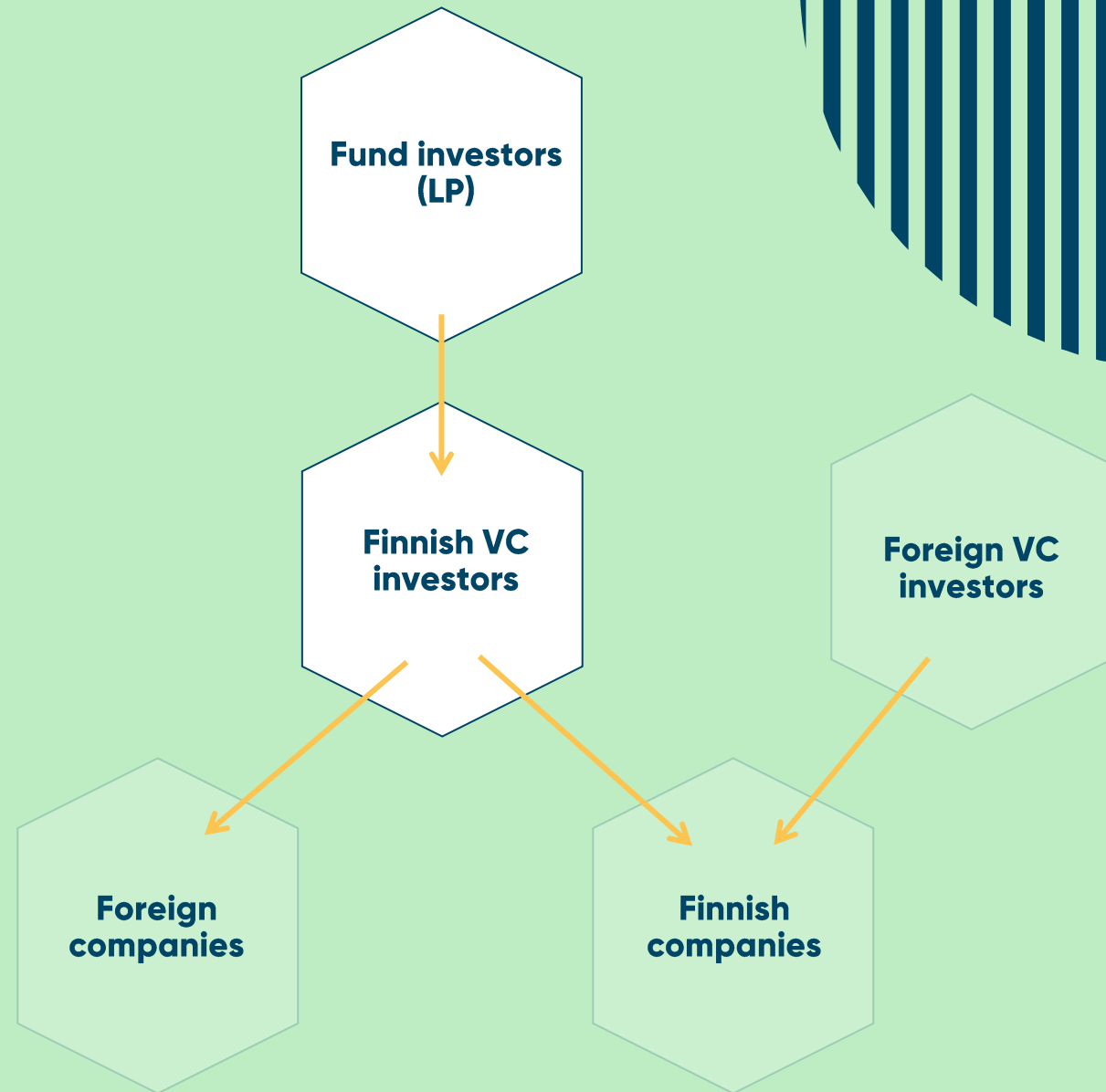




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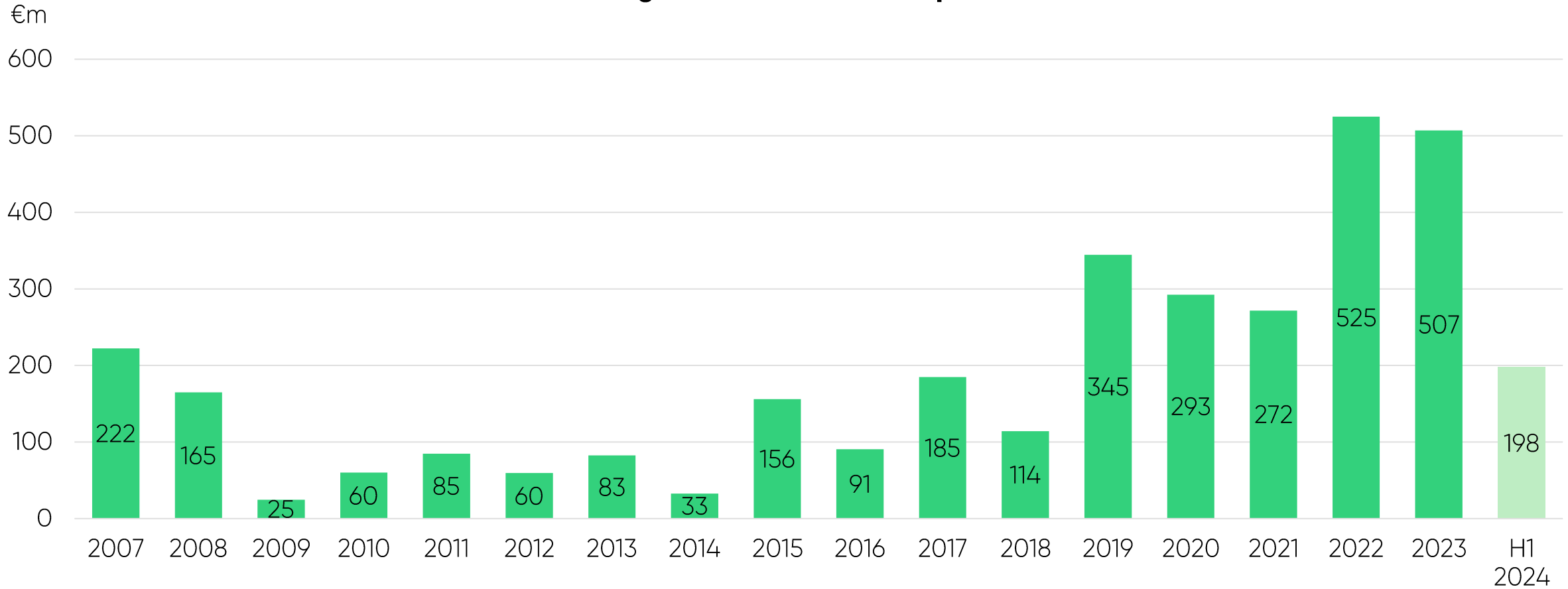
# Fundraising





# Nearly 200 million euros raised in Finnish VC funds during H1/24

## Fundraising of Finnish venture capital funds



## Finnish VC investors succeeded in fundraising

**€198m**

The capital raised by Finnish VC funds was slightly above the average of recent years.

Among Finnish venture capital investors, **Nordic Science Investments** (€60m) and **Equilibrium VC** (€30m) launched new funds in the first half of 2024.

### Fundraising of Finnish venture capital funds

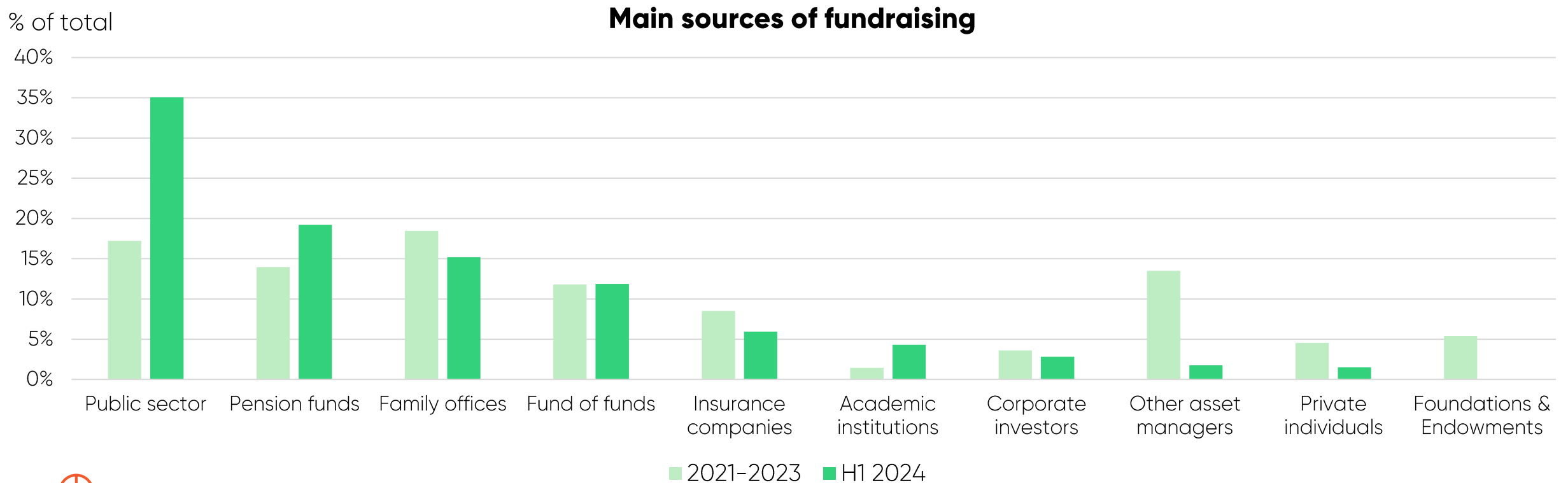


Sources: FVCA, EDC

# Public sector's role as a source of new funds for Finnish VCs increased in H1 2024

**35%**

In the current challenging fundraising environment, the importance of public sector's counter cyclical approach is reflected in the largest relative share of fundraising volume.



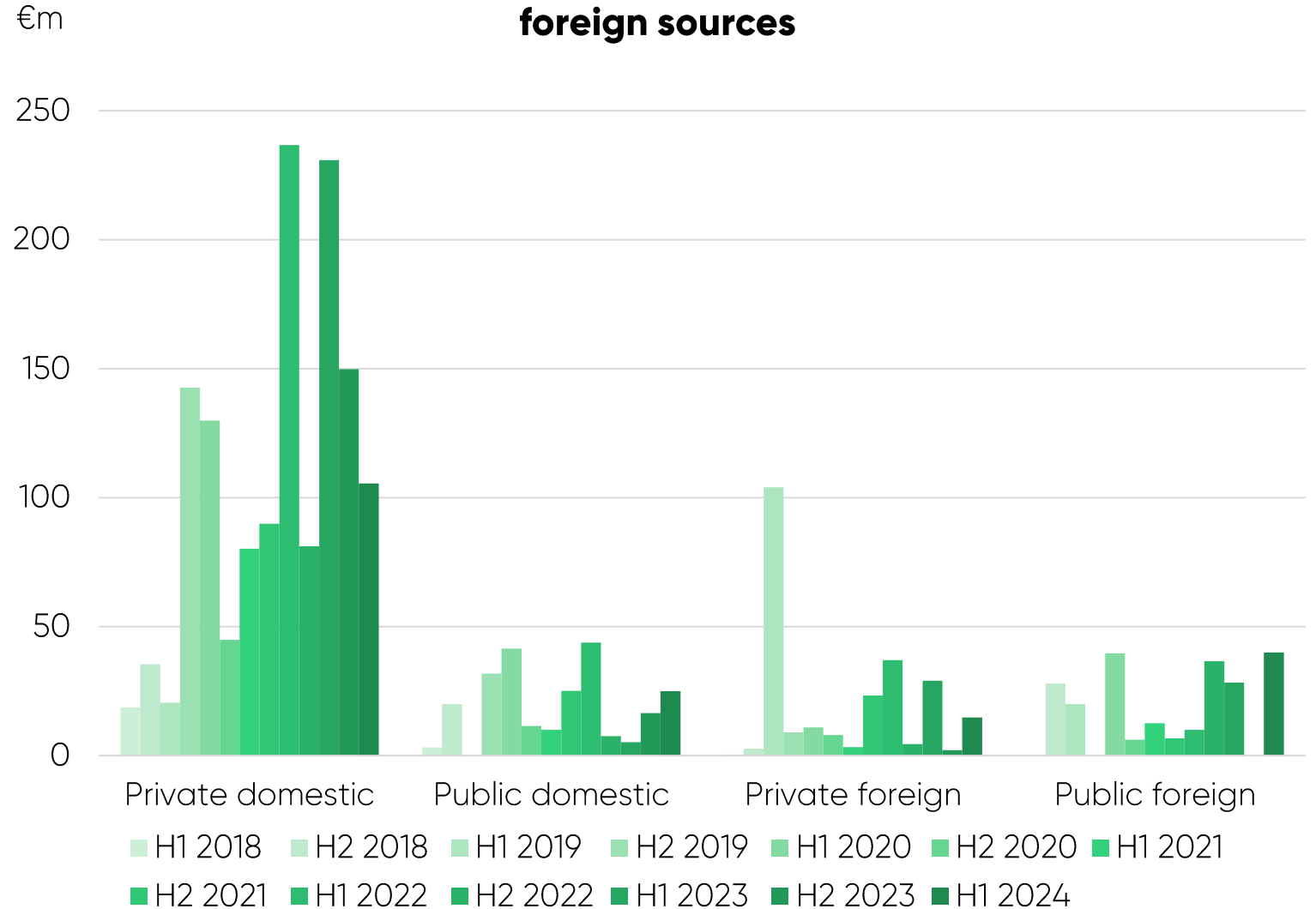
## One-fourth of fundraising from abroad

**€55m**

In the first half of 2024, Finnish VC funds raised one-fourth of their capital from foreign investors, of which €40 million came from public sector investors.

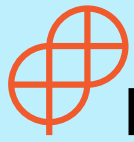
The public foreign fundraising is driven by investments from the European Investment Fund (EIF) along with participation from public sector fund investors from other countries.

### Fundraising of Finnish VC investors from domestic and foreign sources



Note: Does not include fundraising from unspecified sources, averaging 9% of total fundraising.

Sources: FVCA, EDC



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# Methodology

## The following private equity associations are cooperating with EDC

Active Owners Denmark, Denmark

AIFI, Italy

BVA, Belgium

BgVCA, Bulgaria

BVCA, UK

BVK, Germany

CVCA, Czech Republic

France Invest, France

FVCA, Finland

Invest Europe, Europe

LPEA, Luxembourg

NVCA, Norway

NVP, Netherlands

PSIK, Poland

ROPEA, Romania

SECA, Switzerland

SPAINCAP, Spain

SVCA, Sweden

The statistics describing the Finnish private equity industry are based on information received from European Data Cooperative (EDC) private equity database.

- A fully functional, centralised non-commercial pan-European private equity database.
- With its own staff, internal resources and web portal.
- Information is collected directly from VC/PE investors via an online survey and complemented with public sources of information.
- Figures are updated continuously and are therefore subject to change.

Note: The EDC statistics include only VC/PE firms' (including evergreens and captives) investments. Syndicate and direct investments made by several other investors, e.g. LP co-investors, individuals, entrepreneurs, business angels, management, corporates, funds-of-funds, other asset managers and financial institutions, are not included in EDC statistics. The activity falling outside EDC's methodology is however included in the figures in the section "Investments in Finnish startups".

## Methodology

Investment and divestment statistics are aggregated via two methods – industry statistics and market statistics

### **Industry statistics**

- By country of private equity firm's office
- Here: Domestic and foreign investments/divestments made by the Finnish offices of private equity firms

### **Market statistics**

- By the location of the portfolio company
- Here: Investments/divestments in/from Finnish portfolio companies made by domestic and foreign private equity firms

Note: The aggregated figures may not always sum up to totals due to rounding. Some graphs may exclude unspecified variables.

**For more information about the methodology, please contact the Finnish Venture Capital Association (FVCA).**

## Investment stages

<p><b>VENTURE</b></p> <p>Investments in companies in their early development stage</p>	<p>Seed</p> <p>Start-up</p> <p>Later stage venture</p>	<p>Seed</p> <p>Start-up, Other early stage</p> <p>Early growth, Transition stage</p>
<p><b>GROWTH*</b></p> <p>Venture capital investments targeting growth-stage companies</p>	<p>VC-Growth (Venture growth, venture-backed growth)</p> <p>BO-Growth (Buyout growth, non-venture backed growth)</p>	<p>Growth investments made with either continued participation by a VC fund on the investment round, or else full divestment by the involved VC fund(s) at the time of the Growth round</p> <p>Growth investments where VC funds had either fully divested prior to the Growth round, or else had never backed the company in question before</p>
<p><b>BUYOUT</b></p> <p>A transaction financed by a mix of debt and equity, in which a business, a business unit or a company is acquired</p>	<p>Rescue/Turnaround</p> <p>Replacement capital</p> <p>Buyouts</p>	<p>Rescue/Turnaround</p> <p>Secondary purchase/Replacement capital, Refinancing bank debt</p> <p>Management buyout (MBO), Management buy-in (MBI), Public to private, Other PIPE, Other leverage buyout</p>

\*The split of the growth-stage in VC-growth and BO-growth was included first time in the publication of 2023 statistics.